

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, March 18, 2010

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Callisto, Commissioner Meyer, and Commissioner Azar.

Minutes

The Commission approved the minutes of the Open Meetings of Wednesday, February 24, 2010, and Thursday, March 11, 2010.

Commissioner Azar abstained on the March 11 minutes as she was not present at that open meeting.

350-ER-105 – Application of the Village of Bangor, La Crosse County, Wisconsin, as an Electric Public Utility, for Authority to Change Electric Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4220-CE-172 – Application of Northern States Power-Wisconsin to Construct and Operate a 69 kV Transmission Line and Substations to be Built in the Towns of Stanton and Star Prairie, St. Croix County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4230-WR-106 – Application of North Fond du Lac Water Utility, Fond du Lac County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5270-WR-104 – Application of Saukville Municipal Water Utility, Ozaukee County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4220-GF-115 – Application of Northern States Power Company-Wisconsin for a Gas Risk Management Program

The Commission approved the updated risk management plan filed on behalf of Northern States Power Company-Wisconsin for its natural gas utility through March 31, 2011.

The Commission directed the Gas and Energy Division to draft an order consistent with its decision.

6680-GF-126 – Wisconsin Power and Light Company's Request for Approval of an Experimental Economic Development Program Rider and the Associated Approval of Deferral Treatment of Revenue Discounts

This item was laid over at the request of the Commission.

6690-GF-126 – Wisconsin Public Service Corporation's Request for Deferral of Incremental Costs Necessary to Defend Against Claims of Environmental Non-Compliance

The Commission approved modifications to the original Order in this docket mailed on February 26, 2010.

The Commission approved the Amended Order and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1910-TI-103 – Application of CenturyTel of Fairwater-Brandon-Alto, LLC, for Approval of an Alternative Regulation Plan

2050-TI-102 – Application of CenturyTel of Forestville, LLC, for Approval of an Alternative Regulation Plan

3070-TI-102 – Application of CenturyTel of Larson-Readfield, LLC, for Approval of an Alternative Regulation Plan

4590-TI-102 – Application of CenturyTel of Southern Wisconsin, LLC, for Approval of an Alternative Regulation Plan

5530-TI-102 – Application of CenturyTel of Northwest Wisconsin, LLC, for Approval of an Alternative Regulation Plan

6040-TI-102 – Application of CenturyTel of Northern Wisconsin, LLC, for Approval of an Alternative Regulation Plan

The Commission discussed the record in this docket and made determinations, including the following:

1. The applications to extend the existing Alternative Regulation Plans (ARPs) filed on behalf of CenturyTel of Fairwater-Brandon-Alto, LLC, CenturyTel of Forestville, LLC, CenturyTel of Larson-Readfield, LLC, CenturyTel of Southern Wisconsin, LLC, CenturyTel of Northwest Wisconsin, LLC, and CenturyTel of Northern Wisconsin, LLC, were modified and approved.

2. The ARPs were modified and extended for a period of six years, 1 month.

3. Staff's recommendation is adopted in regard to access rate reduction steps.

In regard to the access rate reduction steps for CenturyTel of Northwest Wisconsin, LLC, the February 1, 2015, reduction will be adjusted so that the potential impact on basic rates is approximately \$3.10 per month.

Commissioner Meyer dissented.

4. Staff's recommendations will be adopted in regard to Basic Local Service (BLS) rates, with 5 percent for rate rebalancing and another 2 percent without restriction. Rates may not be raised to exceed the threshold for beginning to receive High Rate Assistance Credits from the Wisconsin Universal Service Fund, unless otherwise approved by the Commission.

In regard to the BLS rates for CenturyTel of Fairwater-Brandon Alto, LLC, the rate adopted for use by the company is 1 percent without restriction.

5. Staff's recommendation will be adopted in regard to rate uniformity. The rates of CenturyTel of Forestville, LLC, shall remain uniform, as it already has rate uniformity in place among its five exchanges. For the other five companies, rates shall be uniform and available within an exchange.

6. The Commission adopted the staff alternative plan with regard to infrastructure incentives and competitive commitments.

7. The Commission adopted the miscellaneous clarifications in the staff alternative plan except Section 6.3. is retained, with the clarification that the requirement to meet with Commission staff is not the only remedy for service quality issues.

8. The Commission held that the February 1, 2016, rate reduction step need not be implemented if DSL is deployed to 100 percent of a company's access lines by November 1, 2015. A company may use a high speed technology other than DSL if doing so is more cost effective for the company.

The Commission directed the Telecommunications Division to draft an order consistent with its discussion.

CLOSED SESSION – The Commission recessed the open meeting, went into closed session under Wis. Stat. § 19.85(1)(g) to discuss the litigation matters noted below with legal counsel, and reconvened the open meeting pursuant to Wis. Stat. § 19.85(2).

FERC Docket No. EL10-45-000 – *Midwest Independent Transmission System Operator, Inc., v. PJM Interconnection, LLC*

FERC Docket No. EL10-46-000 – *Midwest Independent Transmission System Operator, Inc., v. PJM Interconnection, LLC*

Discussion of whether to intervene in two complaints of the Midwest Independent Transmission System Operator, Inc., against PJM Interconnection, LLC, before the Federal Energy Regulatory Commission (FERC)

Commissioner Meyer moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss the litigation matters noted above with counsel. Commissioner Azar seconded the motion. The motion was carried and the Commission went into closed session.

After a discussion in closed session, the Commission reconvened in open session.

The Commission approved intervention and the filing of comments with FERC in the above dockets.

The Commission adjourned the meeting at 11:15 a.m.

Sandra J. Paske
Secretary to the Commission